



General Assembly

## ***Amendment***

***February Session, 2018***

**LCO No. 4125**



Offered by:  
SEN. SOMERS, 18<sup>th</sup> Dist.

To: Subst. Senate Bill No. 337

File No. 283

Cal. No. 192

***"AN ACT REQUIRING THE PUBLIC UTILITIES REGULATORY  
AUTHORITY TO INITIATE A DOCKET TO STUDY RENEWABLE  
NATURAL GAS AND CONCERNING CONTRACTS FOR  
ELECTRICITY GENERATED FROM A BIOMASS FACILITY."***

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (h) of section 16-244c of the 2018 supplement  
4 to the general statutes is repealed and the following is substituted in  
5 lieu thereof (*Effective from passage*):

6 (h) (1) Notwithstanding the provisions of subsection (b) of this  
7 section regarding an alternative standard service option, an electric  
8 distribution company providing standard service, supplier of last  
9 resort service or back-up electric generation service in accordance with  
10 this section shall contract with its wholesale suppliers to comply with  
11 the renewable portfolio standards. The Public Utilities Regulatory  
12 Authority shall annually conduct an uncontested proceeding in order  
13 to determine whether the electric distribution company's wholesale

14 suppliers met the renewable portfolio standards during the preceding  
15 year. On or before December 31, 2013, the authority shall issue a  
16 decision on any such proceeding for calendar years up to and  
17 including 2012, for which a decision has not already been issued. Not  
18 later than December 31, 2014, and annually thereafter, the authority  
19 shall, following such proceeding, issue a decision as to whether the  
20 electric distribution company's wholesale suppliers met the renewable  
21 portfolio standards during the preceding year. An electric distribution  
22 company shall include a provision in its contract with each wholesale  
23 supplier that requires the wholesale supplier to pay the electric  
24 distribution company an amount of: (A) For calendar years up to and  
25 including calendar year 2017, five and one-half cents per kilowatt hour  
26 if the wholesale supplier fails to comply with the renewable portfolio  
27 standards during the subject annual period, and (B) for calendar years  
28 commencing on and after January 1, 2018, five and one-half cents per  
29 kilowatt hour if the wholesale supplier fails to comply with the  
30 renewable portfolio standards during the subject annual period for  
31 Class I renewable energy sources, and two and one-half cents per  
32 kilowatt hour if the wholesale supplier fails to comply with the  
33 renewable portfolio standards during the subject annual period for  
34 Class II renewable energy sources. The electric distribution company  
35 shall promptly transfer any payment received from the wholesale  
36 supplier for the failure to meet the renewable portfolio standards to  
37 the Clean Energy Fund for the development of Class I renewable  
38 energy sources, provided, on and after June 5, 2013, any such payment  
39 shall be refunded to ratepayers by using such payment to offset the  
40 costs to all customers of electric distribution companies of the costs of  
41 contracts entered into pursuant to sections 16-244r and 16-244t. Any  
42 excess amount remaining from such payment shall be applied to  
43 reduce the costs of contracts entered into pursuant to subdivision (2) of  
44 this subsection, and if any excess amount remains, such amount shall  
45 be applied to reduce costs collected through nonbypassable, federally  
46 mandated congestion charges, as defined in section 16-1.

47 (2) Notwithstanding the provisions of subsection (b) of this section

48 regarding an alternative standard service option, an electric  
49 distribution company providing transitional standard offer service,  
50 standard service, supplier of last resort service or back-up electric  
51 generation service in accordance with this section shall, not later than  
52 July 1, 2008, file with the Public Utilities Regulatory Authority for its  
53 approval one or more long-term power purchase contracts from Class I  
54 renewable energy source projects with a preference for projects located  
55 in Connecticut that receive funding from the Clean Energy Fund and  
56 that are not less than one megawatt in size, at a price that is either, at  
57 the determination of the project owner, (A) not more than the total of  
58 the comparable wholesale market price for generation plus five and  
59 one-half cents per kilowatt hour, or (B) fifty per cent of the wholesale  
60 market electricity cost at the point at which transmission lines intersect  
61 with each other or interface with the distribution system, plus the  
62 project cost of fuel indexed to natural gas futures contracts on the New  
63 York Mercantile Exchange at the natural gas pipeline interchange  
64 located in Vermillion Parish, Louisiana that serves as the delivery  
65 point for such futures contracts, plus the fuel delivery charge for  
66 transporting fuel to the project, plus five and one-half cents per  
67 kilowatt hour. In its approval of such contracts, the authority shall give  
68 preference to purchase contracts from those projects that would  
69 provide a financial benefit to ratepayers and would enhance the  
70 reliability of the electric transmission system of the state. Such projects  
71 shall be located in this state. The owner of a fuel cell project principally  
72 manufactured in this state shall be allocated all available air emissions  
73 credits and tax credits attributable to the project and no less than fifty  
74 per cent of the energy credits in the Class I renewable energy credits  
75 program established in section 16-245a attributable to the project. On  
76 and after October 1, 2007, and until September 30, 2008, such contracts  
77 shall be comprised of not less than a total, apportioned among each  
78 electric distribution company, of one hundred twenty-five megawatts;  
79 and on and after October 1, 2008, such contracts shall be comprised of  
80 not less than a total, apportioned among each electrical distribution  
81 company, of one hundred fifty megawatts. The Public Utilities  
82 Regulatory Authority shall not issue any order that results in the

83 extension of any in-service date or contractual arrangement made as a  
84 part of Project 100 or Project 150 beyond the termination date  
85 previously approved by the authority established by the contract,  
86 provided any party to such contract may provide a notice of  
87 termination in accordance with the terms of, and to the extent  
88 permitted under, its contract, except the authority shall grant, upon  
89 request, an extension of the latest of any such in-service date by (i)  
90 twelve months for any project located in a distressed municipality, as  
91 defined in section 32-9p, with a population of more than one hundred  
92 twenty-five thousand, and (ii) not more than thirty-six months for any  
93 project having a capacity of less than five megawatts, provided any  
94 such project (I) commences construction by April 30, 2015, and (II) the  
95 authority has provided previous approval of such contract. The cost of  
96 such contracts and the administrative costs for the procurement of  
97 such contracts directly incurred shall be eligible for inclusion in the  
98 adjustment to any subsequent rates for standard service, provided  
99 such contracts are for a period of time sufficient to provide financing  
100 for such projects, but not less than ten years, and are for projects which  
101 began operation on or after July 1, 2003. Except as provided in this  
102 subdivision, the amount from Class I renewable energy sources  
103 contracted under such contracts shall be applied to reduce the  
104 applicable Class I renewable energy source portfolio standards. For  
105 purposes of this subdivision, the authority's determination of the  
106 comparable wholesale market price for generation shall be based upon  
107 a reasonable estimate. On or before September 1, 2011, the authority, in  
108 consultation with the Office of Consumer Counsel and the Connecticut  
109 Green Bank, shall study the operation of such renewable energy  
110 contracts and report its findings and recommendations to the joint  
111 standing committee of the General Assembly having cognizance of  
112 matters relating to energy.

113 (3) Notwithstanding the provisions of subsection (b) of this section  
114 regarding an alternative standard service option, an electric  
115 distribution company providing transitional standard offer service,  
116 standard service, supplier of last resort service or back-up electric

117 generation service in accordance with this section that has within its  
118 service territory a biomass facility that (A) is a Class I renewable  
119 energy source, and (B) began operation after December 1, 2013, shall,  
120 not later than July 1, 2018, file with the Public Utilities Regulatory  
121 Authority for its approval a ten-year power purchase contract with  
122 such facility for generation equivalent to seven and one-half  
123 megawatts of electric capacity."

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	16-244c(h)
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